

Marketing Strategy Effectiveness in the System of Value-Based Management

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In the article possibilities of application and essence of methods of evaluation of efficiency of marketing strategies are considered taking into account the cost orientation of enterprises. The features of application of these methods are marked in the case of the cost-oriented management, and also their classification is developed.

Keywords — efficiency of marketing strategy, cost-oriented enterprise, methods of evaluation of efficiency of marketing strategy of the cost-oriented enterprise.

I. Introduction

The marketing strategy of the enterprise plays one of the most leading parts in the activity planning, as it defines the status, development and prospects of its activity, as well as business relationships with customers, and on the market in general. These relationships form the image of the enterprise, and thus affect its value, which is a component of its price in the market. However, such role of the marketing strategies in the activity of value-based enterprises did not promote the development of evaluation methods of their effectiveness.

II. Research Materials

In any activity, one can single out a certain result, i.e. its consequences which can be appreciated. The results of the choice and application of marketing strategy can be traced in the enterprises' achievement of their economic, organizational, social, communicational, competitive and other effects. This diversity of the results, as well as an increasing role of marketing strategies in the activity of the enterprise, favoured the appearance of their effectiveness concepts.

The term «effectiveness» in general is defined as the ratio of the results from the realization of actions (or measures) to expenses aimed at their successful achievements. Thus, effectiveness is a characteristic feature of processes and actions of the administrative nature, which reflects the level of the aim achievement.

Effectiveness, as an integral economic indicator, includes:

- Determined specific outcome (effectiveness of actions or measures);
- Correspondence to the maximum possible, ideal or planned result;
- The appropriateness of expenses to obtain determined result;
- Quantitative characteristics of satisfactory functioning of the enterprise;
- The probability of goal achievement.

Since the efficiency of marketing strategy characterizes the efficiency of the processes of its formation and implementation, its evaluation should include the analysis of:

- validity and reality of plans;
- overall goal and purposes of the marketing strategy;
- right choice of strategy variety;
- constituent elements of the strategy (concepts, measures and actions, indicators and criteria, etc.);
- the level of purpose achievement, results, expenses, competitiveness and flexibility of the strategy, etc.

Formation of marketing strategies begins with the research of enterprise marketing environment, namely the basis for their elaboration is strategic marketing analysis. At the same time, marketing strategy is a part of the strategic plans of the enterprise, so it must obligatory comply with the purpose of the enterprise activity, its main strategy and strategies of other levels [1, 3].

Value orientation directs the enterprise at the search for opportunities and ways to increase the value of its assets. Thus, marketing strategy of a value-based enterprise is a long-term plan of actions designed to increase value of the enterprise by applying marketing activities and means of influencing the target audience (related parties- consumers, investors, shareholders, business partners, competitors, etc.).

The effectiveness of enterprise marketing strategy is an indicator that characterizes the ratio of the effect from implementation of marketing activities to expenses incurred for the implementation of these measures and achievement of the results in a long-term period.

The effectiveness of marketing strategy and effectiveness of marketing activities are different concepts, though interdependent. From the point of view of short-term results, marketing effectiveness is measured by indicators connected to income; from long-term prospects, marketing effectiveness is measured by indicators connected to the image of enterprise and its products. Enterprise image, being a relatively stable indicator, characterizes consumer attitudes towards products and enterprise in the future, the level and coverage share of target market by the enterprise and also correspondence of marketing strategy with the needs and expectations of consumers. The main advantage of positive image of the enterprise is facilitation of its access to different types of resources. The value of enterprise, as well as its image, are external characteristics that are formed on the basis of evaluation of its internal factors. Since the increase of enterprise value is manifested in the growth of value of its resources through the improvement of their competitiveness and efficiency of its implementation, this characteristic of image of a value-based enterprise is one of the main in the evaluation of the marketing strategy effectiveness.

The purpose of the analysis of the marketing strategy effectiveness consists in obtaining an objective evaluation of the implementation effect of the relevant marketing activities and their comparison with expenses and the aim. But in the case of value-based management such aim is complemented with the evaluation of the value change of the enterprise in the consequence of the marketing activity implementation.

According to the purpose, such tasks of analysis of the marketing strategy effectiveness are formed:

- analysis of the growth of enterprise value and role of the marketing activities in it;
- analysis of the effectiveness of marketing actions;
- analysis of the expenses of marketing activities;
- analysis of the effectiveness of marketing activities;
- profitability analysis of marketing activities;
- analysis of the received effects;
- analysis of the influence of factors on the marketing strategy effectiveness and reserves of their rise.

Thus, the objects of study of the marketing strategy effectiveness are:

- marketing activities;
- marketing expenses;
- the result of the marketing strategy implementation;
- the reality and validity of a marketing strategy;
- the effectiveness of the marketing complex (trade, pricing, communicative and other policies);
- influence of factors on the marketing strategy effectiveness;
- the impact of the marketing strategy results on the formation of enterprise value;
- reserves of improvement of the of marketing strategy effectiveness.

Moreover, according to the modern trends of enterprise cost orientation, perfect indicators of marketing strategy effectiveness may be selected:

- General - globality, flexibility, adaptability, continuous improvement, focusing on the interests of related parties;
- Structural - decentralization, self-organization, supervision through culture and values, the relationship between culture and objectives;
- Informational - self-control, objectivity, self-determination of liability;
- Managerial - leadership without control, cooperation, etc.

On the basis of the research on the application of the evaluation methods of marketing strategies, it may be claimed that in the work of many local businesses only individual methods are applied in practice. They are applied only by marketing departments of large companies or consulting organizations ordered by these enterprises. Main reasons for this are the following:

- assurance in unreasonably high cost of such evaluation;
- lack of specialists and departments engaged in the analysis of the evaluation of the marketing strategy effectiveness;
- confidence in the absence of direct influence of the marketing strategy results, enterprise value and indicators of its activities.

In the result of the research analysis, the following features of the marketing strategy organization in domestic enterprises are established:

– the choice of marketing strategies at most researched enterprises is performed on the basis of the experience and intuition. Thus, first of all, the specifics of production (expiration date, range, technical complexity, etc.) and enterprise financial position (it is assumed that the formation of effective marketing strategies is associated with heavy expenses) are taken into account;

– the character of plans often focuses the enterprises on achieving rather rapid and short-term effect than long-term results;

– among the evaluation criteria, their profitability and riskiness are more common than social impact, ethics, etc.

– the majority of respondents express confidence in the high cost of the research on the marketing strategy effectiveness taking into consideration the need to attract highly paid professionals and the use of sophisticated methods of evaluation. In our opinion, this is one of the reasons that the majority of companies (65%) to the question «how often such an evaluation is carried out», answered – “sometimes” or “never”.

Expenses of Ukrainian enterprises on the research and analysis of the marketing strategy effectiveness do not prevail 0.3% of the total marketing budget, while expenses of foreign companies that use much wider range of methods for evaluation of these relations, and not only marketing techniques. are about 5% [2].

Conclusion

Evaluation of marketing strategies according to the methodology, which considers cost orientation of the enterprise, involves receipt of an objective evaluation of the impact of these strategies on the increase in the value of its assets.

Taking into consideration the necessity to establish an appropriate image and improve enterprise value in the evaluation of the overall effect formation from the implementation of marketing strategies for value-based management, obtaining such an evaluation is immensely essential.

References

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